



Montana Growth Through Agriculture

Program Information

For July 1, 2011 through June 30, 2012

Growth Through Agriculture proposals are accepted
by the Department of Agriculture at any time.

Refer Any Questions to:

Montana Growth Through Agriculture Program
Montana Department of Agriculture
PO Box 200201
Helena, MT 59620-0201
406-444-2402
GTA@mt.gov

Legal Authority:

MCA Sections 90-9-102 and 90-9-401 (Montana Code Annotated)



State of Montana
Department of Agriculture
AGRICULTURE DEVELOPMENT COUNCIL
AGRICULTURE MARKETING & BUSINESS DEVELOPMENT
Montana Growth Through Agriculture Program

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PROGRAM INFORMATION

The Montana Growth Through Agriculture (GTA) program was created by the 1987 Legislature to encourage economic development through innovations in various aspects of agricultural business. The program includes, among other things, the authority to establish development of an agricultural marketing and business development program.

The Montana GTA program is administered by the seven-member Montana Agriculture Development Council (Council), which is attached to the Department of Agriculture.

Goal: Strengthen and diversify Montana's agricultural industry

The Montana GTA program works to strengthen and diversify Montana's agricultural industry. Through grants and loans, the program assists in the development of innovative agricultural products and processes to add value to the agriculture industry, create new jobs, and expand small business opportunities.

How the Program Works

There are at least two application review periods per year. The Council will determine the review periods for applications and subsequently, the dates will be posted on the GTA webpage as soon as the Council makes this determination. Applicants are encouraged to submit completed applications at any time. Contact the Program Manager at 406-444-2402 for any additional information on application review procedures.

Department of Agriculture staff members are available to provide feedback on draft applications prior to final application submittal. Any applicant that would like a staff preview should submit their draft application at least three or four weeks in advance of an application review period. Draft applications submitted less than three weeks for staff assistance cannot be guaranteed a thorough preview.

Public and private entities and organizations, business and industry, educational institutions, local governments and individuals are eligible to submit applications for funding to the Council. The Council reviews applications to determine the funding made to eligible projects.

Generally, to qualify for consideration, proposals must have practical, near-term application involving new or alternative technologies, practices or organizational arrangements that will stimulate expanded agricultural development, economic activity and employment growth.

Recipients of GTA grant and/or loan funding are required to name a personal guarantee and to have proof of Workman's Compensation or proof of exemption.

Types of Awards

The Council determines which projects to fund, and may elect to fund a project through two avenues:

1. A **grant** is an award of money without the expectation that the funds will be repaid. Security provisions are required and are structured on an individual case basis. The maximum grant amount for any single application is \$50,000.

2. A **loan** is an award of money with the expectation that all or a portion of the money will be repaid. The Council has the option to defer interest and/or payments for loans. Loans may be repaid over a period of up to eight years. Should the business close and cease to be in operation, the Council has the option to forgive all or a portion of the repayment obligation. Security provisions are required and are structured on an individual case basis. The maximum loan amount for any single application is \$100,000.

What Qualifies

General Criteria for Funding

The Council may make a grant or loan if it determines that the project is consistent with the goals of the Growth Through Agriculture Act and:

- 1) primarily adds value to Montana's agricultural products,
- 2) has the prospects for commercial success given current personnel, experience and resources of the applicant,
- 3) has the prospects to create and/or retain jobs in Montana,
- 4) primarily processes or adds value to Montana's agricultural products currently produced or potentially produced in the state, and
- 5) has the management structure to allow the Agriculture Development Council to reasonably conclude that the applicant will comply with ongoing reporting and monitoring activities.

Additional Loan Eligibility Requirements

- The Council has the option to offer high and low interest loans up to \$100,000 for those projects that meet the general criteria for funding listed above.
 - To be eligible for a low interest loan, the applicant must have unencumbered collateral to secure the full amount of the loan.
 - The Council can select up to two targeted areas for projects which would be eligible for low interest loans. These targeted areas will encourage specific types of projects and will inform the public of the Council's particular interests. These targeted areas must be announced 60 days prior to becoming effective.

Additional Grant Eligibility Requirements

- The Council may award grants up to \$50,000. In addition to meeting the general criteria for funding, grant applicants must have at least one of the following must be applicable:
 - The project will benefit additional agricultural companies,
 - The project will accomplish research that will benefit agriculture as a whole, or
 - The applicant is a nonprofit entity.
- The Council may award grants up to \$2,500 through the "Mini Grant" program for educational, promotional, marketing, travel or other business expenses related to agricultural development. These grants are not subject to the general criteria for funding listed above. For more information about the "Mini-Grant" program visit the "Mini-Grant" section of the GTA program webpage.

- To be considered for grant funding, the application must include a cover page that proves at least one additional grant eligibility requirement has been met.

Eligible Costs

Eligible costs under the GTA program include, but are not limited to:

- Consultant Services (professional, technical, operational)
- Travel
- Advertising and Promotion
- Equipment
- Supplies and Materials
- Communication (telephone, postage, printing, etc.)
- Data Processing

*** Only costs incurred within 12 months prior to approval of a GTA loan or grant can be reimbursed and only if specifically allowed by the Council. ***

Other eligible costs can rarely include salaries and wages. **It is the policy of the Council that program funds not be used for the payment of institutional overhead or other indirect costs.** These costs may be used as in-kind matching contributions from the applicant. In no case can funds be used for political purposes.

Eligible Matching Funds

For the purposes of the GTA program, matching contributions are funds directed toward completing the project, which are from private, federal, state or commodity check-off sources, **in an amount that is at least equal to the GTA funds requested for the project.**

Matching contributions may be provided in the form of cash, in-kind services, indirect or overhead costs, or a combination. Matching contributions may be provided by the project sponsor or by other supporter(s), and must be contributed as a direct result of the project, not as a result of normal day-to-day operations. Matching contributions **may not** include other state grants.

In-kind matching contributions should be calculated at the actual market price of the services rendered but must be no more than \$25.00 an hour. All in-kind matching contributions must be project specific as opposed to the normal operation of an ongoing business.

Who Can Apply

Proposals for funding are accepted from:

- Individuals
- Businesses and Industry Organizations
- Public and Private Agencies and Organizations
- Educational Institutions
- Local Governments

Any applicant organization's structure other than Sole Proprietorship must be registered with the Montana Secretary of State prior to submittal of the GTA application. Any

application from an organization that is not registered with the Montana Secretary of State will not be accepted.

Two or more individuals or organizations may propose to conduct a project jointly by submitting one application as co-applicants.

Applicants must demonstrate their team has proven ability to carry out all elements of the proposed project. In addition, applicants proposing to rely upon the expertise of another individual or organization to undertake any part of the project must clearly define the responsibilities of that party as well as provide evidence of that entity's willingness and demonstrated ability to undertake that area of responsibility.

Steps to Apply

Please refer to the "New Applications" section of the GTA program webpage for application procedures and to download forms.

1. To begin the Growth Through Agriculture process, complete and submit the Project Snapshot form. Your completed form will provide information for staff to help you assess your needs and better assist you with your application.
2. Read about the program background (this document) in order to determine whether or not your project is eligible and learn more about the details of the program. If you have any questions about the eligibility of your project, please contact the GTA program manager listed at the end of this section.
3. If your company is not already registered with the Montana Secretary of State, you may need to do so before going further with the application process.
4. Prepare a cash flow statement, projected to a point of positive cash flow and profitability, and a balance sheet to accompany your application. All applications must include: a cash flow statement, a current and projected balance sheet, and a list of all key financial assumptions. The list of key assumptions should provide the basis for all major financial projections. Any application that does not include these items will not be accepted. Download the guide, general spreadsheet, and sample to help you prepare your cash flow statement and balance sheet. Existing business or start up business spreadsheets are specifically designed and may be used if you prefer. The provided spreadsheet templates are required to complete the application. Financial projections and spreadsheets generated by other software or accounting systems may be used if the accounting system has the capability to generate projections. All financial statements prepared using systems other than what is provided here must be approved by staff prior to the submission of the application. See the information below on page 6 regarding the confidentiality of financial information and other information.
5. Obtain a credit report from any of the Credit Bureaus for your organization or its principals. Credit Reports can be obtained from TransUnion, Equifax, Experian, or Innovis. All applications must include a Credit Report. Any application that does not include a Credit Report will not be accepted.

6. Download and read the application instructions. Please follow these instructions while completing the application form.

7. Download and complete the application form. Have the application instructions in Step 6 at hand when completing the application form. A sample application can also be downloaded and used to help you complete the application form.

Mail 12 copies of your completed application to:

GTA Program Manager
Montana Department of Agriculture
P.O. Box 200201
Helena, Montana 59620-0201

Submission of a completed application for funding explicitly authorizes the Department of Agriculture and the Council to make inquiries as necessary.

How Projects are Selected

The Council meets to review project applications and select which projects will be funded. Successful projects are funded through contractual agreements that outline each party's responsibilities.

Selection Criteria

Selection of successful projects is a competitive process. All applications will be evaluated based on the degree to which each application addresses the general criteria for funding listed on page two.

In addition, all proposals must include sufficient information to allow the above factors to be judged. This includes providing documentation of adequate cash matching funds to complete the project. Only those proposals that furnish complete information will be considered for evaluation. No partial proposals will be considered. The Council reserves the right to make a final selection or reject all proposals.

Award Process

Applicants selected by the Council for funding will be notified within one week of the award. If the funding award is accepted by the applicant, a contract will be developed by the Council to define all project terms, conditions and responsibilities of the applicant. The contract will clarify all legal patents and proprietary rights that will result from the proposed activity and will incorporate the successful application among its provisions. Once the contract is reviewed and signed by all applicable parties, payment will be distributed to the recipient as outlined by the terms of the funding award made by the Council.

Selected projects must comply with all applicable federal, state and local laws, licensing and regulations for funds to be awarded. Evidence of such compliance may be required before the grant or loan check is issued.

Those whose applications were not chosen for funding will be notified by the Council in writing within 30 days of the Council's decision.

Reporting Requirements for Funded Projects

The Council reserves the right to determine the extent of reporting requirements, subject to modification over the course of the project. Interim reporting requirements will be based on the cost, duration and nature of the project. Typically, award recipients are required to submit completed quarterly report forms that address both the project activities and expenditures for the preceding quarter. Also, recipients are required to submit a completed final report form that summarizes the impacts of the project. The Montana Agriculture Development Council and staff will be responsible for monitoring each funded project.

The recipient may be required to make an oral report to the Council at the conclusion of the project. The oral report would be made at a regularly scheduled Council meeting. The Council also requires the completion of follow-up surveys of funded projects in order to determine long-term impacts.

Other Considerations

Ownership and Publication of Materials

All information and materials generated by the proposed activity become the sole property of the State of Montana. The recipient will retain the right to utilize, reprint and distribute all said information and materials.

Security Agreements

The Council may require that grant and loan contracts be secured with actual, real or intellectual property including patents, copyrights, trademarks or trade secrets.

Liability

The Montana Agriculture Development Council will not be held liable for any costs incurred by any firm for work performed in the preparation of and production of a proposal or for any works performed prior to the formal execution of a contract.

Confidentiality

All materials developed for a proposal, as a result of an agreement and/or documents submitted to the Council, shall be considered public except any information in which there is a privacy interest and that interest and the demands of individual privacy clearly exceed the merits of public disclosure of the personal, financial, and business information contained therein. If an applicant/funding recipient deems a document to be confidential, they should contact program staff to discuss.

Agriculture Marketing and Business Development Bureau

Contact the Agriculture Marketing and Business Development Bureau staff at (406) 444-2402 or by e-mail at gta@mt.gov for assistance on your business and marketing needs.

Collin Watters

Bureau Chief

Overall marketing, business development and oversight

Angie Nelson

Growth Through Agriculture Program Manager

Growth Through Agriculture program administration

Chad Lee

Business Development Officer

Business assistance

Nancy Matheson

Special Projects Coordinator

Special project development and implementation

Linda Howard

International Marketing Officer

International agricultural product marketing

Marty Earnheart

Marketing Officer

Meats and livestock marketing

Angelyn DeYoung

Marketing Officer

Domestic agricultural product marketing

Lorri Brenneman

Agriculture Literacy Specialist

Agriculture education curriculum development

Lindra Davies

Marketing Technician

Growth Through Agriculture program/marketing coordination

Services and Support Available

With a full staff, each focused on a particular area in the business of agriculture, the Department's Marketing and Business Development Bureau is well equipped to assist you in meeting the needs of your agribusiness. We will:

- Assist in the gathering of resources needed to develop and capitalize your venture.
- Provide valuable contacts in your industry or related industries.
- Serve as a liaison or matchmaker to develop a relationship with organizations new to your operation.
- Assist businesses entering new markets or working to expand your market share in existing markets.